GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3804
ANSWERED ON:13.12.2002
TEXTILE ASSET RECONSTRUCTION FUND
T.M. SELVAGANAPATHI

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are considering to set up a textile asset reconstruction fund to raise funds and help retire the high cost debt of textile units;

(b) if so, the details thereof;

(c) whether the National Textiles Corporation is also considering to issue another bond worth Rs. 500 crores to finance the voluntary retirement scheme for its employees;

(d) whether the National Textiles Corporation plans to retire 20,000 workers under the voluntary retirement scheme; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) & (b) The textile industry has requested Government to set up a textile asset reconstruction fund to restructure the debt portfolios by replacing the high cost debt of the textile units by debts at current rate.

(c) NTC has already mobilized Rs. 499.65 crores through issue of NTC Bonds to finance the Voluntary Retirement SchemeGovt. guarantee for issue of another Rs. 250 crores has been given to NTC to mobilize more funds for VRS.

(d) & (e) 23,763 workers in the 39 non-functioning unviable mills proposed for closure are to be retired under the Voluntary Retirement Scheme in the first phase out of which 15393 employees have gone on VRS so far.